

Retirement Account Inflation Adjustments for 2024:**Qualified Accounts**

2024 contribution limits for your 401(k), 403(b), or a 457 plan have increased from \$22,500 to \$23,000. Additionally, if you are age 50 or older, you are eligible for a “catch-up” contribution of \$7,500 a year.

	<u>2023</u>	<u>2024</u>
Under Age 50 Contribution Limit	\$22,500	\$23,000
Over Age 50 Contribution Limit	\$30,000	\$30,500

The 2024 contribution limits for an IRA or Roth IRA will increase from \$6,500 to \$7,000, plus a \$1,000 catch-up contribution for individuals over age 50. Contributions to an IRA can be tax deductible if you do not have a qualified plan, regardless of your Adjusted Gross Income (AGI). However, if you (or your spouse) are eligible for a qualified plan, your contribution may be deductible based on the following AGI amounts:

2024 Traditional IRA AGI Limits:

- Single or Head of Household: \$77,000 - \$87,000
- Married Filing Jointly (and you’re covered by a retirement plan at work) \$123,000 - \$143,000
- Married Filing Jointly (and your spouse is covered by a retirement plan at work) \$230,000 - \$240,000
- Married Filing Separately: \$0 - \$10,000

2024 Roth IRA AGI limits:

- Single or Head of Household: \$146,000 - \$161,000
- Married Filing Jointly: \$230,000 - \$240,000
- Married Filing Separately: \$0 - \$10,000

2024 SIMPLE IRA Contribution limits:

- The maximum deferral is \$16,000 with a catch-up contribution of an additional \$3,500

2024 SEP IRA Contribution limits:

- The maximum deferral has increased from \$66,000 to \$69,000
- The minimum compensation amount is \$750

Defined Contribution Plans –

The 2024 defined contribution plan funding has increased from \$66,000 to \$69,000.

Defined Benefit Plans –

The 2024 limitation on the annual benefit has increased from \$265,000 to \$275,000.

Health care savings accounts (HSA) –

If you have a high-deductible health insurance plan, you are eligible to contribute to an HSA. For 2024, a single taxpayer can contribute \$4,150 and family coverage is \$8,300. In addition, there is a catch-up contribution of \$1,000 for anyone who is age 55 or older.

Gift and Estate Tax Changes for 2024:

The 2024 per beneficiary gift-tax exclusion has increased from \$17,000 to \$18,000.

The gift and estate tax lifetime exclusion has increased from \$12,920,000 to \$13,610,000.

Gifts to a non-citizen spouse has increased from \$175,000 to \$185,000.